

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Alexandria Division**

GORAV JINDAL, <i>et al.</i> ,)	
)	
Plaintiffs,)	
)	
v.)	Civil Action No.: 1:10-cv-1142
)	
ACCREDITED HOME)	
LENDERS, INC., <i>et al.</i> ,)	
)	
Defendants.)	

ORDER

This matter comes before the Court on the Report and Recommendation (Dkt. No. 65) of the Magistrate Judge dated January 26, 2012, recommending that Plaintiffs' Motion for Default Judgment (Dkt. No. 35) be denied without prejudice. Plaintiffs filed an Objection to the Report and Recommendation on February 13, 2012 (Dkt. No. 67). Plaintiffs also filed a Motion to Dispense with Transcription of the Record Concerning Plaintiff's Objections to the Report and Recommendation of the Magistrate Judge (Dkt. No. 68).

The Court conducted a *de novo* review of the record in this case and hereby adopts the findings and recommendation of the Magistrate Judge. Briefly, however, the Court pauses to augment the Magistrate Judge's report and recommendation with additional facts that were not brought to Judge Jones' attention. Plaintiffs premise their Objection to the Magistrate Judge's Report and Recommendation in large part on Defendant Accredited Home Lenders, Inc.'s ("AHL") bankruptcy, which stays all actions against AHL by operation of 11 U.S.C. § 362. Though, according to Plaintiffs, AHL's bankruptcy has been discussed before this Court on two occasions, no notice or suggestion of bankruptcy appears on the record. Nor did Plaintiffs otherwise notify the Magistrate Judge of AHL's bankruptcy.

Because actions against AHL “are likely to be discharged,” Plaintiffs argue AHL “will most likely never answer Plaintiff’s claims in this action” rendering the Report and Recommendation in error. Pl. Objection at 1-2. The Court disagrees. AHL’s bankruptcy proceeding has not concluded. While it may be “likely” that Plaintiffs’ claims against AHL will be discharged, the bankruptcy proceeding is pending and no such discharge has occurred. Consequently, the claims in this case against Stanley Capital Mortgage Company, Inc. (“Stanley Capital”) and AHL remain “closely interrelated” and default as to Stanley Capital remains inappropriate at this time. *Jefferson v. Briner, Inc.*, 461 F. Supp. 430, 434-35 (E.D. Va. 2006); *see also Frow v. De La Vega*, 82 U.S. (15 Wall.) 551, 21 L.Ed. 60 (1872).

Accordingly, it is hereby ORDERED that Plaintiffs’ Motion for Default Judgment (Dkt. No. 35) is DENIED WITHOUT PREJUDICE. It is FURTHER ORDERED that Plaintiff’s Motion to Dispense with Transcription (Dkt. No. 68) is GRANTED.

March 9, 2012
Alexandria, Virginia

/s/ 
Liam O’Grady
United States District Judge